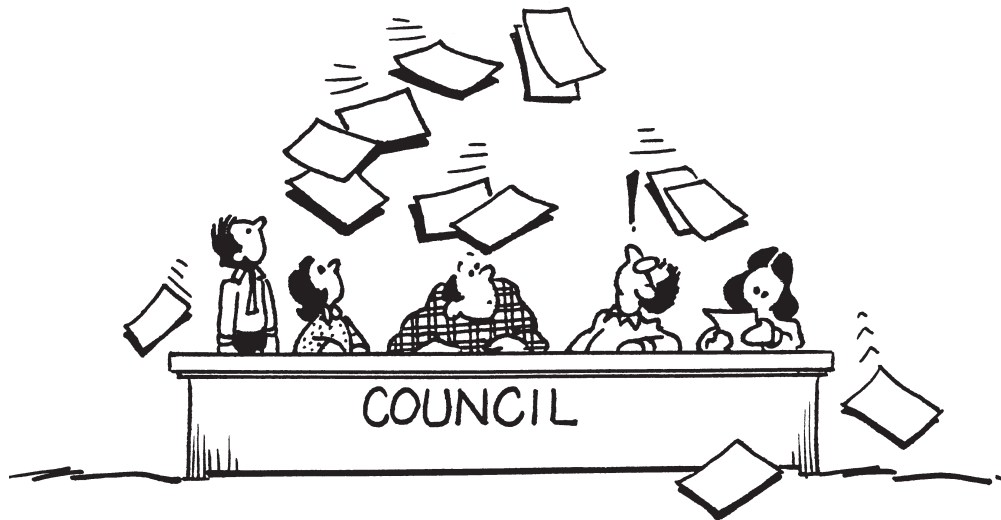


City Budget Manual

Fiscal Year 2003



**State of Alaska
Tony Knowles, Governor**

**Department of Community and Economic Development
Deborah Sedwick, Commissioner**

**Division of Community and Business Development
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Juneau, AK 99811-0809**

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STATE OF ALASKA

Department of Community & Economic Development

Division of Community and Business Development

TONY KNOWLES, GOVERNOR

Dear Municipal Official:

The Division of Community and Business Development (DCBD) is pleased to provide you with an updated City Budget Manual. Suggestions from DCBD staff and city officials were used to prepare this document which we hope you will find useful.

We are mailing this budget manual to assist you in preparing your City's FY03 budget. Prompt submittal of the approved FY03 budget will ensure eligibility for the FY03 revenue sharing payment in July 2002. Please send a copy of the budget to DCED, SRS Program, Box 110809, Juneau, AK 99811-0809.

If you have suggestions or comments on how this document can be improved, please complete and mail the Comment Page found in the back of the manual.

For more information on preparing your budget, please contact the nearest DCBD Regional Office.

Sincerely,



Patrick K. Poland
Director

Department of Community & Economic Development
Division of Community and Business Development
Regional Offices

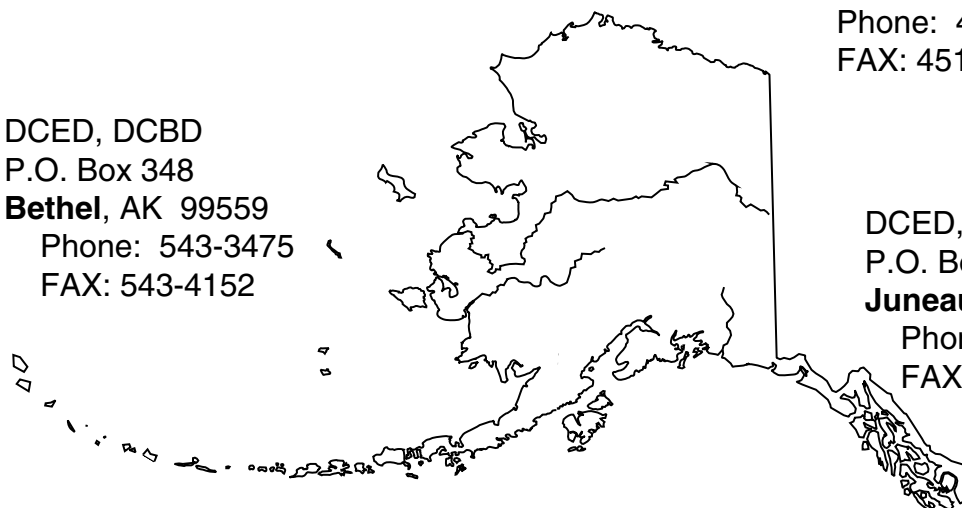
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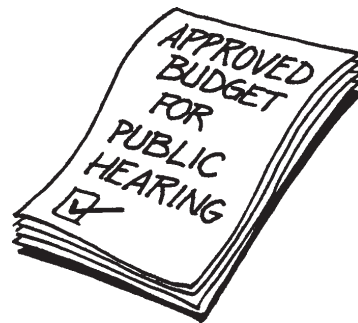
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Section 1

Budgeting Overview

What is a budget?

A budget is a plan for receiving and spending money for a given period of time. The plan is approved by the city council after public hearings and is used by the mayor each day to determine how city money should be spent. In this way, the budget serves to make sure that city resources are used for the good of the city as a whole.

Why does a city prepare a budget?

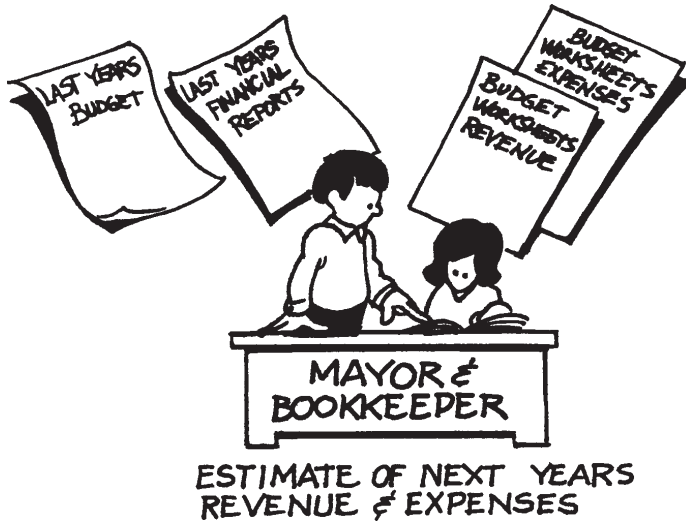
A budget performs five important functions:

- ❖ The city is legally required to approve a budget so that city money can be received and spent.
- ❖ The budget is a method for the council and the citizens to make sure that the day-to-day operations of the city follow the general direction given the mayor during budget adoption.
- ❖ The budget makes sure that everyone has an opportunity to give their point of view on how the city should spend money.
- ❖ The budget makes sure that the council has considered how much money the city is expected to receive and how much will be spent.
- ❖ The budget is necessary for a city to receive State Revenue Sharing.

How is a budget prepared?

According to State Law (AS 29.35.100), the city council can establish the way a budget is prepared by the mayor and submitted to them. Whatever way is used, preparing a budget takes time. The following procedure and schedule is considered reasonable:

BUDGETING

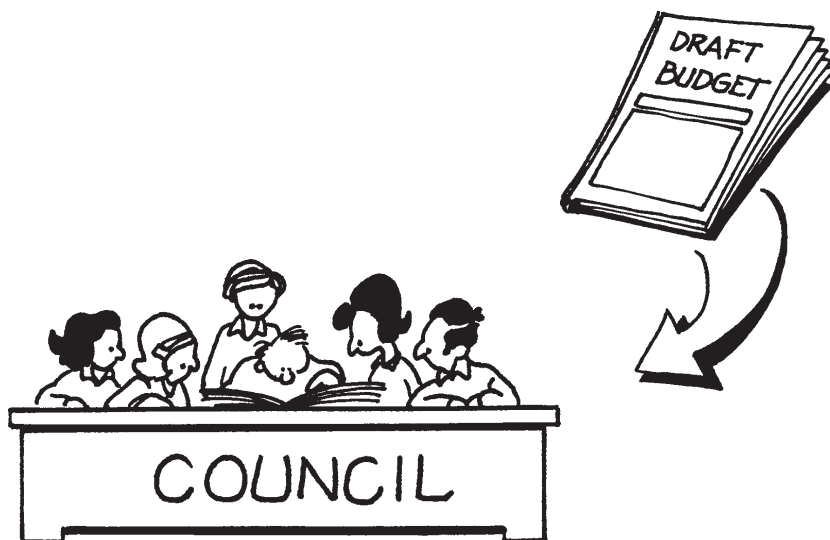


Step 1. The mayor* should ask the treasurer to prepare an estimate of the revenue the city can expect to receive during the coming year. The estimate should be submitted to the mayor at least 90 days before the beginning of the budget period. For communities with a budget period beginning on July 1, this would be April 1. Look at the discussion on pages 9-18 for information on how to estimate revenues.

WORK SESSION

Step 2. Once these estimates have been developed, the mayor should call the council together for a work session. The mayor and other members of the council should use the work session to set the priorities for city spending for the budget period. For example: improved street maintenance, replacement of worn out equipment, or keeping services at existing levels.

* or city manager if the city manager plan has been adopted

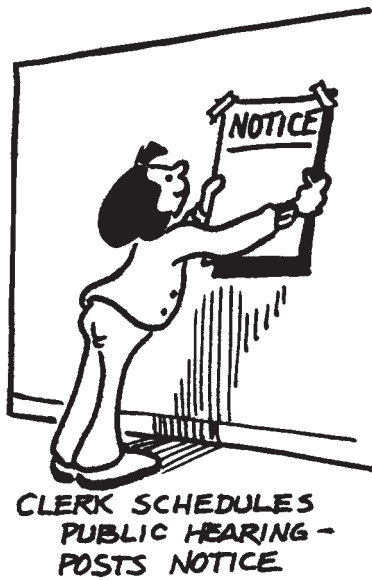


Step 3. Using the council's priorities, last year's expense records, and the knowledge of city supervisors familiar with the cost of city services, the treasurer develops estimates of expenses for next year. These estimates are combined with the estimated revenues from Step 1 to form a draft budget. Helpful information and worksheets to estimate expenses are provided in Section 2.



Step 4. The draft budget is presented to the mayor by the treasurer. Once reviewed, the mayor presents the budget to the council as a non-code ordinance. It is called the appropriation ordinance or budget ordinance.



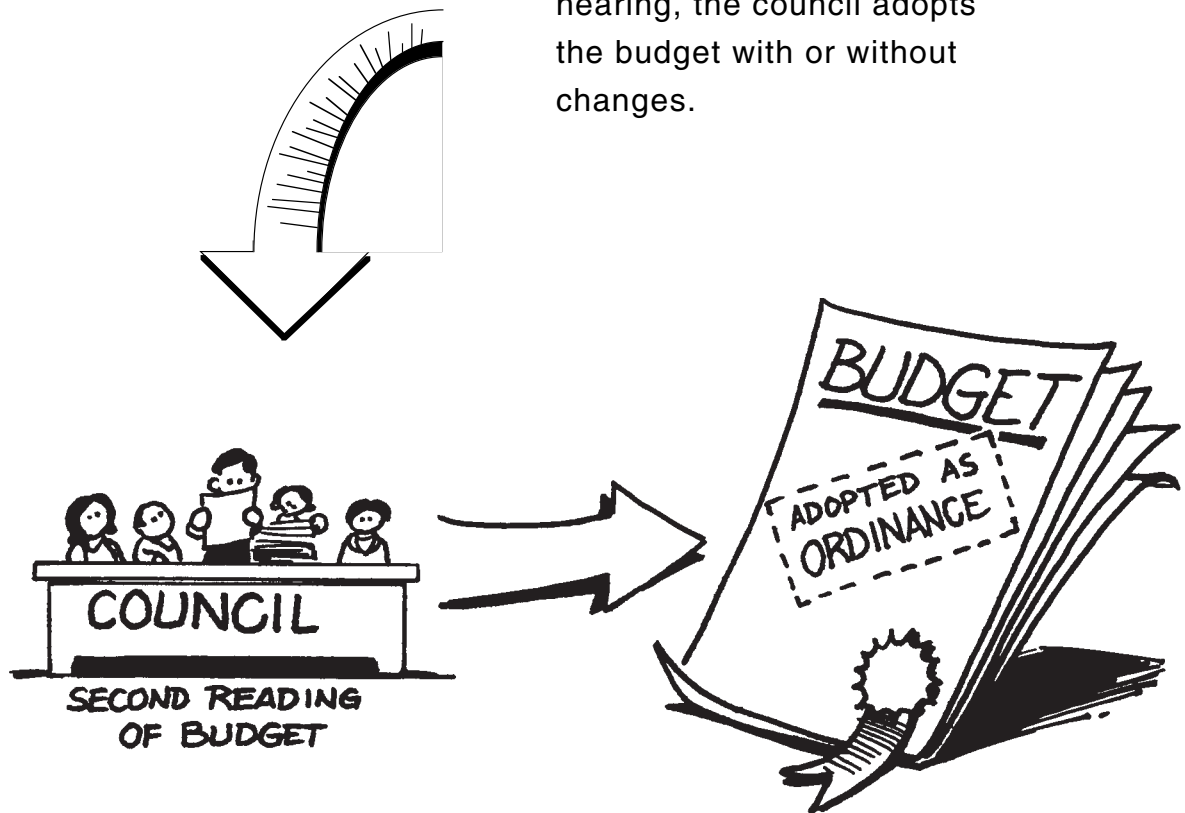


Step 5. The city council studies the budget and after consulting with the mayor, directs whatever changes it desires. Once the budget is acceptable, the council votes in a council meeting to present it at a public hearing. This is considered the “first reading” of the budget.

Step 6. The city clerk posts notices of the public hearing for at least five (5) days and in three (3) public places. The public hearing allows the council to get input from the public.



Step 7. Following the public hearing, the council adopts the budget with or without changes.



Step 8. The mayor and clerk certify the appropriations ordinance after the council adopts it. One copy must be filed in the city clerk's office. A copy must be sent to the Department of Community and Economic Development in order to be eligible for revenue sharing.



**Proposed Timetable for Preparing a Municipal
Budget for those Communities with a
July 1 — June 30 Fiscal Year**

- April 1:** ✓ Mayor directs treasurer to estimate revenues for next fiscal year. This includes estimating money not spent from the current fiscal year.
- ✓ Council holds a budget work session to set spending priorities.
- April 11:** ✓ Mayor directs treasurer to prepare estimate of expenditures for next fiscal year.
- April 25:** ✓ Mayor presents preliminary budget to the council.
- May 1:** ✓ Mayor prepares proposed budget in final form.
- May 15:** ✓ Appropriations ordinance is introduced at city council meeting (1st Reading).
- ✓ City council schedules date of public hearing on appropriations ordinance.
- ✓ City clerk posts notices of public hearing for at least five (5) days and in three (3) public places.
- June 1:** ✓ Council meeting is held for the purpose of conducting a public hearing on appropriations ordinance.
- ✓ Council considers public comments and adopts appropriations ordinance.
- June 30:** ✓ If the appropriations ordinance has not been adopted by this date, the city can neither receive nor spend money in the coming fiscal year until the ordinance **is** adopted.
- July 1:** ✓ Beginning of new fiscal year.

Section 2 Budget Preparation

Overview

The following section will be useful to those officials responsible for preparing the city's budget. It will lead you step by step through the two main parts of the budget; revenues and expenditures.

The instructions on how to prepare a budget are followed by budget worksheets that may be used for presenting the estimate of revenues and expenditures to the council. The purpose of the budget worksheets is to provide **source documentation*** showing how budget figures were calculated. There are two types of budget worksheets provided for your use:

- ➡ Budget worksheet for estimating revenues (see page 18).
- ➡ Budget worksheet for estimating expenses other than payroll costs (see pages 25).

Two source documents are needed to prepare your budget:

- Your *current year budget* with any amendments.
- Your latest *monthly financial statement*.

.....
• **Note:** If you are preparing your budget estimates in April, you •
• will need the March financial statement. •
.....

With these source documents you can begin estimating your revenues and expenditures for next fiscal year's budget. Remember, preparing a budget requires that you predict future revenues and expenses based on last year's expenses and revenues. Be aware of changes in revenue programs, increases in costs, and changes in services the city provides.

* **source documentation** - Documents or records that provide supporting information such as payroll records, timesheets or purchase orders.

Rules To Live By In Preparing A Budget



Always

- ✓ Include all city revenues and all city expenses in the budget.
- ✓ Adopt a balanced budget; revenues plus carryover funds must be equal to or greater than expenditures.
- ✓ Be aware that some revenues have restrictions on how they are spent.

Avoid

- Borrowing money to support general expenses.
- Over-estimating revenues and under-estimating expenditures.
- Agreeing to continue a service or operate a facility even though there is no revenue to support it and it cannot be made self-supporting.
- Spending all the revenues received in a year without setting aside funds for emergencies.

Don't

- ✗ Use payroll tax deductions to pay expenses.
- ✗ Loan money to community organizations or individuals.
- ✗ Let bills or taxes owed to the city go unpaid.
- ✗ Include tribal council revenues with city revenues in the city's budget.

Estimating Municipal Revenues

The first part of preparing a budget is estimating revenues. The following pages guide you through this process.

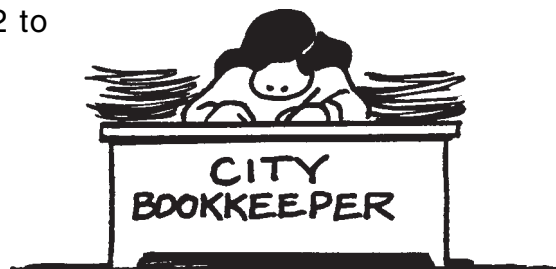
Step 1 is estimating carryover money. Pages 9 through 10 explain how to do this.

Step 2 is identifying sources of revenues. Pages 13 through 16 explain how to do this.

Step 3 is estimating revenues. Pages 17 through 18 explain how to do this.

Step 1: Identify carryover money from the current year.

The first step in identifying city revenues is to calculate carryover money left over from the current year. To do this, calculate the current cash balances in your investment and checking accounts. Add revenues the city anticipates receiving during the remainder of the fiscal year. Subtract expenditures the city anticipates having during the remainder of the fiscal year. This is the carryover cash balance. Use the “Carryover Cash Balance Worksheet” on pages 11 and 12 to identify the carryover cash balance. Instructions for completing the worksheet are on page 10.



Carryover Cash Balance Worksheet Instructions

"Investment" Section (Part 1)

- List each **Investment Account*** and the account balance.
- Total the current balances and enter this total on Line 1 of the Carryover Cash Balance Summary (page 11).

"Checking Account Balance" Section (Part 1)

- List each of the city's checking accounts and the current account balance.
- Total the checking account balances and enter this total on Line 2 of the Carryover Cash Balance Summary (page 11).

"Anticipated Revenues" Section (Part 2)

- List the revenues that the city expects to receive during the remainder of the fiscal year (page 12).
- Total the anticipated revenues and enter it on Line 3 of the Carryover Cash Balance Summary (page 11).

"Anticipated Expenditures"

Carryover Section (Part 2)

- List the anticipated expenditures for the remainder of the fiscal year (page 12).
- Total the anticipated expenditures and enter it on Line 4 of the Carryover Cash Balance Summary (page 11).

"Carryover Cash Balance" Summary

- Add Lines 1, 2 and 3 and subtract Line 4 to estimate the carryover cash balance. Enter this amount on Line 5 of the Carryover Cash Balance Summary (page 11).

* **Investment Account** - Money put into a savings account, certificate of deposit, stocks and bonds, etc., for the purpose of obtaining additional income.

Carryover Cash Balance Worksheet

Part 1

Investment

LIST EACH INVESTMENT AND THE BALANCE		
Total →→→→ Investment Balance (Include on Line 1 below)		

Checking Account Balance

LIST THE ACCOUNT NUMBER AND CASH BALANCE OF EVERY CHECKING ACCOUNT		
Total →→→→ Checking Account Balance (Include on Line 2 below)		

Carryover Cash Balance Summary

- | | | |
|---|---|-------|
| 1. Total Investment Balance | | _____ |
| 2. Total Checking Account Balance | + | _____ |
| 3. Total Anticipated Revenues for
remainder of fiscal year | + | _____ |
| 4. Total Anticipated Expenditures for
remainder of fiscal year | - | _____ |
| | | ===== |
| 5. Total Carryover Cash Balance | = | _____ |

Carryover Cash Balance Worksheet

Part 2

Anticipated Revenues (for remainder of fiscal year)

List each revenue that the city will receive.		
What	Amount	Date Payment Due
Total Anticipated Revenues Enter on line 3 of the reverse side of page.		

Anticipated Expenditures (for remainder of fiscal year)

List each obligated payment that the city will make.		
What	Amount	Date Payment Due
Total Anticipated Expenditures Enter on line 4 of the reverse side of page.		

Step 2: Sources of Revenues

Sources of revenue for a city depend on a number of factors.

Although all cities receive money from the State Revenue Sharing and Safe Communities Programs, other sources of revenue may vary among communities depending on whether they tax, charge fees for services or receive state shared taxes.

To identify the sources of revenue for your community, review the revenue sources listed on pages 14 through 16. These are the most common sources of city revenues.

Notes



How to Estimate Budget Revenues

Item	How to Estimate
From State of Alaska	
State Revenue Sharing	Call 465-4733.
Safe Communities	Call 465-4733.
State Shared Taxes	The State shares these taxes with the city. Call 1-907-465-2321, after June 15, to ask how much your city will receive next fiscal year. Accurate information may not be available prior to June 15.
Telephone Co-op Share	
Fuel Tax	
Raw Fish Tax	
Liquor License	
Amusement and Gaming	
Sales Taxes	
Sales Taxes	Check what was collected during the current fiscal year and estimate next fiscal year's amount of sales tax. Consider new businesses and changes in population when estimating. Make a schedule of each business, what they paid last year, and what you expect for next fiscal year.
Contracts	
Airport Maintenance Contract	Check the monthly rate in the contract, multiply it by 12 months to get the amount for the fiscal year.
Clinic Lease Contract	Check the monthly rate in the contract, multiply it by 12 months to get the amount for the fiscal year.
Alaska Village Electric Cooperative (AVEC)	Before you estimate AVEC revenue, complete a worksheet for AVEC payroll costs. The revenue is found by multiplying the total gross wages by 120%. For cities enrolled in the PERS program for the plant operator, multiply the plant operator's gross wages by 136%.
Gravel Hauling Contracts	Check the contract and compute the expected amount of revenue based on the number of loads multiplied by the price per load.
Other Contracts	Check the contract agreements and see how much will be received during the next fiscal year.

Rentals

Buildings	Estimate the rental amounts. Look at the agreement and multiply the monthly rate by 12 to get the amount for next fiscal year. For occasional rentals make your best estimates based on past experience.
Equipment Rentals	Estimate the amount of equipment rentals for the fiscal year based on expected work. Consider AVEC, State of Alaska, PHS, housing authority and local use. Also include expected rental of equipment on any state grants the city will have during the fiscal year.

Charges for Services

Water/Sewer	Estimate the amount of water/sewer charges to be received in the next fiscal year. For individuals, multiply the number of houses by the monthly rate. Multiply this by 12. In some cases a certain amount of these charges will not be paid on time and some may not be collected. The amount of uncollected revenue and late payments should be based on past experience. For the school district and other users that are dependable customers, multiply the monthly rate by the number of months used.
Washeteria	Your estimate will depend on the amount of revenue received during this fiscal year.
Cable TV	Multiply the expected number of customers by the monthly rate times 12. Look closely at the amount received during this fiscal year for comparison.
Garbage Hauling-Landfill Fees	Multiply the expected number of customers by the monthly rate times 12. Look closely at the amount received during this fiscal year for comparison.

Other Revenue

Fuel Sales	Multiply the number of gallons you expect to sell times the expected price per gallon. Deduct at least 10% of your total fuel gallons for shrinkage. Look at last year's sales for a comparison.
Bingo/Pulltabs/Gaming	Check last year's revenue. Estimate next year's revenues based on past year's revenues.

(Continued on next page.)

Photocopy Fees Base your estimate for next fiscal year on what you received during the current fiscal year and what you expect for next fiscal year.

Grant Administration Base your estimate for the fiscal year on the grant activity you expect. Grant administration costs are based on an allowable percentage of the total grant. 10% is a common percentage but it may be less depending on the type of grant. Construction grants may extend over a longer period of time than anticipated. This extension will usually increase the amount of money spent on administration. Be careful and realistic when estimating the project schedule and the grant administration costs. List each grant and the amount of grant administration costs to be taken.

Spreading administrative costs over more than one fiscal year. On capital project grants running for several years, don't include the entire amount of administrative costs in a single fiscal year. For grants that will continue for more than one year, divide the total administrative costs for the grant by the expected life of the grant project in years, to get the administrative cost estimate per fiscal year.

Interest Income Prepare a schedule by months showing the excess money you expect to have in your general fund time certificate of deposit (CD) and your grant fund CD. Estimate the monthly interest. Add all amounts together to get the total for the year. If you have questions regarding interest earned on certificates of deposit or other investments, call the bank's customer service representative, or counselor with your investment firm.

Donations & Fund Raising Base estimates on what was received during this fiscal year and the type and number of events planned for next fiscal year.

Other Make your best estimate. Prepare a worksheet to show how you came up with the estimate.

Step 3: Estimating Revenues

When estimating the amount of revenue to be received, examine the city's latest monthly financial statement to determine how much has been received from each source during the current year. Since these figures are for a portion of the fiscal year, they need to be annualized. For instruction on how to annualize figures, see page 20.

Remember, that the amount of revenue from each source may change from year to year. Some factors that may cause revenues to change include:

- ➡ A community's population.
- ➡ New or expanded businesses, or other economic activity.
- ➡ Legislative funding sources.

The treasurer and mayor should also consider the fact that all revenues do not come in at the same time. All of the city's money that is being budgeted will not appear in its checking account on the first day of the new fiscal year.

The mayor and treasurer, when identifying revenues, should note the dates that revenues are expected to be received by the city. By understanding when money will be available, the city may avoid a **cash flow*** problem.

Note: Some revenues are restricted to supporting certain services or facilities. For example, grant funds are usually designated for certain activities and cannot be used to fund anything else. Municipalities that receive State Revenue Sharing funds for road maintenance and health facilities must meet certain program requirements. Monies that have no specific requirements for their use are called unrestricted general funds.

A budget worksheet form is provided on page 18 to assist you in preparing your revenue estimates.

* **cash flow** - The flow of cash into and flow of cash out of an organization. Cash flow determines the ability of an organization to pay obligations and make purchases at any particular time.

Budget Worksheet

Estimating Revenues FY03

Revenue Category	Show your computation	Budget Amount

Total Revenue →→→ \$ _____

Estimating City Expenditures

The second part of preparing a budget is estimating expenditures. The following two steps will guide you through the process.

Step 1: Identify Categories of Expenditures

The first step is to identify categories of expenditures. The categories of expenditures should be related to the various services and facilities provided by the city. Each department represents a major category of expenses in larger cities. Smaller cities might categorize expenditures by services, such as water or electrical service. In either case, the main categories would be departments of the municipal government.

Departments are separated into “line items.” Generally speaking, line items are the same for each of the city’s departments. For example, each department has payroll costs, facility expenses (electricity, heating oil, telephone) and supply expenses, etc. Refer to pages 21 through 23 on “How to Estimate Budget Expenditures.”

Step 2: Estimate Expenditures

There are two primary sources of information used to estimate next year's expenses:

- ✓ The current monthly financial statement.
- ✓ Individuals who direct various programs and departments of the city.

The best source is the record of actual expenses from the current year. Many of these costs will have to be annualized. Annualizing is the process of estimating costs for an entire year based on actual costs for a part of the year. These costs are your starting point. Using the knowledge of supervisors, the mayor can make adjustments to these actual costs based on changing conditions.

Keep in mind that costs will be adjusted by the council during the course of review and passage of the budget. Don’t spend too much time trying to be 99% accurate with expenses. However, be prepared to explain any major differences in the projected expenses or revenues for the next year compared to the current year.

Make copies of the budget worksheet on page 25 to assist you in preparing and documenting expenditure estimates.

How to Annualize

To annualize revenues and expenditures the following procedure is used.

If you know the actual amount of revenue received for 9 months and you want to estimate what the amount of revenue received would be for 12 months; first divide the 9 month actual amount by 9, this will give you the average monthly amount. Then, multiply the average monthly amount by 12. This will give you an annualized amount based on your 9 month actual amount.

Example #1

Washeteria revenue for 9 months is \$6,300.00. You want to estimate how much revenue you will receive in 12 months. To annualize you would use the following formula:

9 month actual amount divided by 9 = average monthly amount
 $\$6,300.00 \text{ divided by } 9 = \700.00

average monthly amount times 12 = Annualized amount
 $\$700.00 \times 12 = \$8,400.00.$

Example #2

The total of the electric bills for the washeteria for 8 months is \$9,600.00. You want to estimate how much the electric bill will be for the entire year. To annualize the expense, you would use the following formula:

8 month actual amount divided by 8 = average monthly amount
 $\$9,600.00 \text{ divided by } 8 = \$1,200.00$

average monthly amount times 12 = annualized amount
 $\$1,200.00 \times 12 = \$14,400.00$

.....
• **Note:** Some revenues and expenditures should not be annualized since •
• they are not received or expended evenly over a 12 month period. •
• Examples are: local fish taxes, grants, and water sold to the school. •
.....

How to Estimate Budget Expenditures

Prepare the expenditure budget by departments and grants. Under each department and/or grant there are various accounts, such as gross wages, payroll taxes, workers' compensation, supplies, and fuel. **Use a separate worksheet for each department or grant.** The following instructions will help you to prepare worksheets for the various accounts under a department and/or grant.

Item	How to Estimate
Gross Wages	On a columnar pad or computer spreadsheet list each employee, the rate that they are paid (per hour, week or month) and the usual number of hours they work per pay period. Multiply the wage times the number of hours usually worked, then multiply this amount by the number of pay periods in the year. (See example on next page.) This amount is estimated gross wages for the employee. Add all of the employee gross wages together to get the Estimated Total Gross Wages that the city pays to all employees for the year.
Employee Taxes	Payroll taxes paid by the employee are deducted from their gross wages (Gross Wages - Payroll Taxes = Net Wages). Since you have already calculated the gross wages and put them into the budget, you do not need to worry about calculating employee payroll tax amounts for the budget.
Employer Payroll Taxes	
Social Security	For most employees of a city, the city will have to make Social Security payments. To estimate this amount, multiply the Total Gross Wages for all employees by 6.2% (.062).
Medicare	Unless you have employees who have worked for you continuously since July of 1986, the city will have to pay Medicare tax on all employees. To estimate this amount, multiply the Total Gross Wages for all employees by 1.45% (.0145).
Public Employee Retirement System (PERS)	If you have employees that participate in the PERS retirement system, multiply the amount of those employees' gross wages by the Employer Rate assigned to the city by the PERS system.

State Unemployment

Multiply the Total Gross Wages for all employees by the latest **Employer Rate** (may change each year) assigned to your city by the State of Alaska, Department of Labor. If you are unsure of the rate, contact the Department of Labor, Division of Employment Security.

Example of How to Figure Employees Gross Wages

Employee Name	Wage	Rate Type	Hours per Pay Period	Pay Periods Per Year*	Gross Wages
John Miller	\$8.50	Hour	20	24	\$4,080.00
Scott Smith	\$10.50	Hour	40	24	\$10,080.00
Mike Jones	\$1,000.00	Month	---	12	\$12,000.00
Mary Miller	\$12.00	Hour	80	24	\$23,040.00
Henry Faith**	\$6.25	Hour	10	18	\$1,125.00
Total Gross Wages					\$50,325.00

* In this example the city pays twice a month so there are 24 pay periods in a year.

** Henry Faith only works for 9 months (he has the summer off) so he only gets paid for 18 pay periods.

How to Figure Total Payroll Costs

Employer's Social Security Tax (FICA):

$$\begin{array}{rcll} \$50,325 & \times & .062 & = \$3,120.15 \\ & & 6.20\% & \end{array}$$

Employer's Medicare:

$$\begin{array}{rcll} \$50,325 & \times & .0145 & = \$729.71 \\ & & 1.45\% & \end{array}$$

Employer's ESC:

$$\begin{array}{rcll} \$50,325 & \times & .0365^* & = \$1,836.86 \\ & & 3.65\% & \end{array}$$

Total \$5,686.72

* *Employer Rate used in this example. Each employer has their own rate. Make sure you use the **correct rate** assigned to your city by the Alaska Department of Labor.*

Insurance	Check what types of insurance policies the city has. Call your insurance companies for the costs.
Workers' Compensation	The cost of workers' compensation is based on the number of employees the city has and the type of work they do. Your insurance carrier has the rates.
Council Meeting Fees	If you pay council meeting fees, use the Budget Worksheet for "Other Expenditures." Multiply the number of regular and special meetings by the number of council members times the meeting fee to get this amount. Remember to add the employer's FICA contribution to the meeting fees to get the total cost to the city.
Travel & Per Diem	Use the Budget Worksheet for "Other Expenditures." Determine the number of trips necessary during the fiscal year and compute the travel and per diem costs of those trips. For example, if you're preparing the worksheet for council travel and per diem, list the Mayors' conference, AML and any other travel planned.
Telephone	Use the Budget Worksheet for "Other Expenditures." Estimate telephone costs for next fiscal year based on actual costs for this year. Consider expected changes for next fiscal year, such as increased rates, and long distance calls.
Electricity	Use the Budget Worksheet for "Other Expenditures." Estimate electricity costs for next fiscal year based on actual costs for this year. Consider expected changes for next fiscal year, such as a reduction in the amount of Power Cost Equalization. Call the electric company to find out if electricity costs will change.
Heating Fuel	Use the Budget Worksheet for "Other Expenditures." Prepare a schedule of gallons expected to be used. Multiply the gallons expected to be used by the cost of fuel per gallon; include freight costs per gallon.
Postage	Use the Budget Worksheet for "Other Expenditures." Base postage costs for next fiscal year on actual postage costs for this year. Don't forget there may be postage increases.
Office Supplies, plus freight	Use the Budget Worksheet for "Other Expenditures." Check office supplies costs for this fiscal year and check supplies on hand. Estimate

the amount of supplies you'll need for next fiscal year. Consider photocopy, computer, and cleaning supplies.

Equipment Use the Budget Worksheet for "Other Expenditures." Make a list of new equipment you plan to purchase during the next fiscal year. Find out how much the equipment will cost by calling vendors; include freight costs.

Repair/Parts Use the Budget Worksheet for "Other Expenditures". Estimate the repairs that will be made based on repair costs this fiscal year plus repairs you know will have to be made during the next fiscal year.

Vehicle Fuel Use the Budget Worksheet for "Other Expenditures." Base your estimate on the cost of fuel and expected fuel usage. For example, if you're purchasing an additional vehicle fuel usage may be greater.

Legal Use the Budget Worksheet for "Other Expenditures." Look at actual legal costs during the current fiscal year. Note unusual or expected legal costs anticipated during next fiscal year.

Audit Use the Budget Worksheet for "Other Expenditures." Call your auditor for an estimate of what the total cost of the audit will be for next fiscal year. The cost should include travel. **Some cities are not required to have an audit. The requirement that a second class city have an audit depends upon the amount of State and federal grant funds received by the city.**

Election Judges Use the Budget Worksheet for "Other Expenditures." Make a schedule of election dates, the number of judges, and the amount judges are paid.

Penalties & Interest Use the Budget Worksheet for "Other Expenditures." There will be no penalties and interest expense if payroll tax deposits are made on time.

Dues & Membership Fees Use the Budget Worksheet for "Other Expenditures." List the name and amount of each item for next fiscal year.

Use the Budget Worksheet for "Other Expenditures" to figure the budget for any other expenditures anticipated during the next fiscal year. For example, cable TV, monthly loan payments, utility board fees, and fuel purchased for resale. Enter department and/or grant on the budget worksheet.

[illegible]

Notes



Section 3 Budget Forms

Overview

The following budget forms are provided to assist you in putting the budget worksheet information into a draft budget to be presented to the city council. **Be sure to read the instructions contained in Sections 1 and 2 prior to completing the budget forms.** Transfer revenue and expenditure estimates from the budget worksheets to the appropriate line item on the budget forms.

Revenues

There are detailed budget forms for revenues provided. These forms are yellow. The detailed forms list revenues in two main categories. These categories are:

- ➡ Locally Generated Sources and
- ➡ Outside Sources.

Under each of these main categories, common revenues for operating and capital special projects are listed. Blank spaces are provided to list additional sources of revenues that your city receives.

Expenditures

Budgeted expenditures should be listed on the detailed budget expenditure forms. These forms are also yellow. The detailed budget expenditure forms are designed to be completed for each of your city's departments or grants. Separate budget expenditure forms are filled out for each department. Departments may include: Administration/Finance, City Council, Police, Fire, Streets and Roads, Harbor and Dock, Health Facilities, Electric Utility, Water and Sewer, Washeteria, Garbage and Landfill, Parks and Recreation, and Public Fuel Sales.

We have provided detailed budget expenditure forms for your use. Twelve sheets are identified for specific departments. Use these forms if

you provide these services. **The remaining forms are blank and should be used for all of your city's remaining departments and grants.**

After entering all the revenue and expenditure information on the appropriate detailed budget forms, use the Budget Summary forms to summarize the information. Budget Summary Forms are light blue. Once the summary and detailed budget forms are complete and adopted by the city council as part of an appropriations ordinance (see Section 4), photocopy all the sheets you have used and send them to DCED at the address below.

**Department of Community & Economic
Development
State Revenue Sharing Program
P.O. Box 110809
Juneau, AK 99811-0809**



How To Use The Budget Forms

Example:

If your community's FY03
operating revenues are
budgeted to be:

Budgeted Operating Revenues

Locally Generated:

Water/Sewer Fees from Homes and Business	= \$18,000
Equipment Rental	= \$6,000
<i>Total Locally Generated Revenues</i>	= \$24,000

Outside Sources:

State Revenue Sharing	= \$25,000
Safe Communities	= \$27,000
<i>Total Outside Revenues</i>	= \$52,000

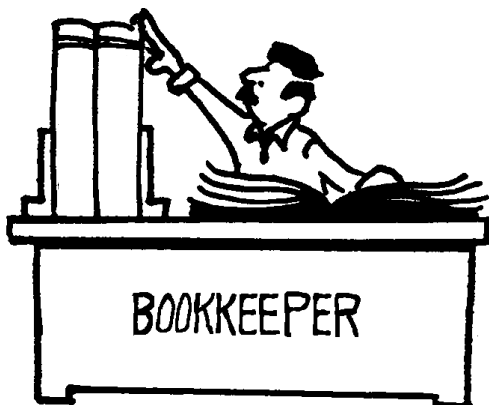
**Total Operating
Revenues = \$76,000**

Capital / Special Projects:

In addition, your community has a RDA grant to purchase equipment	= \$22,000
---	------------

**Total Revenues
for Capital/Special
Projects = \$22,000**

Total All Revenues \$98,000



Step 1:

Transfer the amount of budgeted Locally Generated Revenues to the detailed budget forms.

Budgeted Operating Revenues

Locally Generated:

Water/Sewer Fees
from Homes and

Business = \$18,000

Equipment Rental = \$6,000

*Total Locally
Generated
Revenues*

= \$24,000

Detailed FY03 Budget Form			
BUDGETED OPERATING REVENUES		LOCALLY GENERATED	
	FY02 ACTUAL (Estimated)	FY03 BUDGET	Budget Summary Line Reference
Taxes:			
Sales Taxes	\$	\$	
Sales Tax Penalties & Interest	\$	\$	
Property Taxes	\$	\$	
Property Tax Penalties & Interest	\$	\$	
Hotel/Motel Taxes	\$	\$	
Hotel Tax Penalties & Interest	\$	\$	
Motor Vehicle Taxes	\$	\$	
Other:	\$	\$	
Other:	\$	\$	
Total Taxes	\$	\$	Enter on line 1
Special Assessments:	\$	\$	Enter on line 2
Licenses and Permits:	\$	\$	Enter on line 3
Fines and Penalties:	\$	\$	Enter on line 4
Contracted Services:			
AVEC Reimbursement	\$	\$	
IHS Health Clinic Lease	\$	\$	
Airport Maintenance Contract w/State	\$	\$	
Road Maintenance Contract w/State	\$	\$	
Jail Contract w/State	\$	\$	
Other:	\$	\$	
Other:	\$	\$	
Total Contracted Services	\$	\$	Enter on line 5
Service Charges:			
Photocopies	\$	\$	
Other:	\$	\$	
Other:	\$	\$	
Total Service Charges	\$	\$	Enter on line 6
Enterprises:			
Electric Utility: Customer Payments	\$	\$	
Electric Utility: PCE Subsidy	\$	\$	
Water / Sewer	\$	\$ 18,000	
Washeteria / Sauna	\$	\$	
Garbage Collection Services	\$	\$	
Landfill / Dump Fees	\$	\$	
Fuel Sales	\$	\$	
Harbor / Dock Charges	\$	\$	
Cable TV	\$	\$	
Bingo / Pull Tab Receipts	\$	\$	
Mass Transit	\$	\$	
Phone Utility	\$	\$	
Other:	\$	\$	
Other:	\$	\$	
Total Enterprise Revenues	\$	\$ 18,000	Enter on line 7
Rentals:			
Building Rentals	\$	\$	
Equipment Rentals	\$	\$ 6,000	
Other:	\$	\$	
Total Rentals	\$	\$ 6,000	Enter on line 8

Detailed FY03 Budget Form			
BUDGETED OPERATING REVENUES		LOCALLY GENERATED	
	FY02 ACTUAL (Estimated)	FY03 BUDGET	Budget Summary Line Reference
Leases:			
Land Leases	\$	\$	
Equipment Leases	\$	\$	
Other:	\$	\$	
Total Leases	\$	\$	Enter on line 9
Sales:			
Land Sales	\$	\$	
Gravel Sales	\$	\$	
Pop Sales/Concessions	\$	\$	
Other:	\$	\$	
Total Sales	\$	\$	Enter on line 10
Other Revenues:			
Interest Earnings	\$	\$	
Other:	\$	\$	
Other:	\$	\$	
Other:	\$	\$	
Total Other	\$	\$	Enter on line 11
TOTAL LOCALLY GENERATED REVENUES	\$	\$ 24,000	Enter on line 12

Step 2:

Transfer the amount of budgeted Outside Sources of Revenues to the detailed budget form.

Outside Sources:

State Revenue Sharing = \$25,000

Safe Communities = \$27,000

Total Outside Revenues = \$52,000

Total Operating Revenues = \$76,000

Detailed FY03 Budget Form			
BUDGETED OPERATING REVENUES		OUTSIDE SOURCES	
		FY02 ACTUAL (Estimated)	FY03 BUDGET
Shared Revenues	State Revenue Sharing	\$	\$ 25,000
From The	Safe Communities	\$	\$ 27,000
State of Alaska:	Raw Fish Tax Refunds	\$	\$
	Aviation Fuel Tax Refunds	\$	\$
	Telephone/Electric Co-op Tax Refunds	\$	\$
	Amusement / Gaming Tax Refunds	\$	\$
	Liquor License Tax Refunds	\$	\$
	Other: _____	\$	\$
	Other: _____	\$	\$
	Total State Shared Revenues	\$	\$ 52,000
State of Alaska	Library Grant	\$	\$
Operating Grants:	Suicide Prevention Grant	\$	\$
	JTPA Grant	\$	\$
	Other: _____	\$	\$
	Other: _____	\$	\$
	Other: _____	\$	\$
	Total State Operating Grants	\$	\$
Revenue/Grants	Payment in Lieu of Taxes	\$	\$
From The	National Forest Receipts	\$	\$
Federal Gov't:	Operating Grant: _____	\$	\$
	Other: _____	\$	\$
	Other: _____	\$	\$
	Other: _____	\$	\$
	Total Federal Revenues	\$	\$
Other Outside	Borough	\$	\$
Revenues:	Other: _____	\$	\$
	Other: _____	\$	\$
	Total Other Outside Revenues	\$	\$
TOTAL OUTSIDE OPERATING REVENUES		\$	\$ 52,000
TOTAL FY 03 OPERATING REVENUES		\$	\$ 76,000

Step 3:

Transfer the amount of budgeted Capital / Special Project Revenues to the detailed budget form.

Capital / Special Projects:

In addition your community has a RDA grant to purchase equipment = \$22,000

Total Revenues for Capital/Special Projects = \$22,000

Detailed FY03 Budget Form				
REVENUES FOR CAPITAL / SPECIAL PROJECTS		OUTSIDE SOURCES		
	FY02 ACTUAL (Estimated)	FY03 BUDGET	Budget Summary Line Reference	
Grants From The State of Alaska: (list projects)	Capital Project Matching FY__:	\$	\$	
	Capital Project Matching FY__:	\$	\$	
	Capital Project Matching FY__:	\$	\$	
	Legislative:	\$	\$	
	Other: Equipment Purchase	\$	\$ 22,000	
	Other:	\$	\$	
	Other:	\$	\$	
Total State Project Funds	\$	\$ 22,000	Enter on line 19	
Grants From The Federal Gov't: (list projects)	EDA:	\$	\$	
	Denali Commission:	\$	\$	
	CDBG:	\$	\$	
	Mini Grant:	\$	\$	
	IHS:	\$	\$	
	Other:	\$	\$	
	Other:	\$	\$	
Total Federal Project Funds	\$	\$	Enter on line 20	
TOTAL REVENUES FOR CAPITAL / SPECIAL PROJECTS		\$	\$ 22,000	Enter on line 21

Example:

If your Administration & Finance's operating expenditures are budgeted to be: →

Step 1:

Enter the amounts of the budgeted Administration & Finance expenditures on the Administration & Finance detailed budget form. Enter each cost on the appropriate line.

Admin. & Fince. Expenditures (Mayor/Manager/Clerk)

Wages = \$15,000
Payroll Taxes = \$1,500
Workmans Comp. Ins. = \$500

Total Personal Svcs \$17,000

Airfare = \$800
Per Diem = \$400
Workshop fees = \$500

Total Travel \$1,700

Telephone = \$500
Electricity for City Hall = \$700
Heating Fuel for City Hall = \$2,200

Total Facility Exp \$3,400

Office supplies = \$1,000
Postage = \$400
Copier Supplies = \$200

Total Supplies \$1,600

Total Admin & Finance Budget \$23,700

BUDGETED OPERATING EXPENDITURES		ADMINISTRATION & FINANCE	
		FY02 ACTUAL (Estimated)	FY03 BUDGET
Personal Services:	Salaries	\$	\$ 15,000
	Stipends	\$	
	Payroll Taxes	\$	\$ 1,500
	Workers Compensation	\$	\$ 500
	Retirement / Pension	\$	
	Other:	\$	
	Other:	\$	
	Total Personal Services	\$	\$ 17,000
Travel:	Airfare	\$	\$ 800
	Per Diem	\$	\$ 400
	Training, Workshop & Conference Fees	\$	\$ 500
	Other:	\$	
	Other:	\$	
	Total Travel	\$	\$ 1,700
Facility Expenses:	Telephone	\$	\$ 500
	Rent	\$	
	Electricity	\$	\$ 700
	Water & Sewer	\$	
	Fuel Oil	\$	\$ 2,200
	Repairs / Maintenance (buildings)	\$	
	Other:	\$	
	Other:	\$	
	Total Facility Expenses	\$	\$ 3,400
Supplies:	Office & Clerical Supplies	\$	\$ 1,000
	Postage Supplies	\$	\$ 400
	Copier Supplies	\$	\$ 200
	Other:	\$	
	Other:	\$	
	Total Supplies	\$	\$ 1,600
Equipment:	Equipment	\$	
	Vehicle / Equipment Maintenance	\$	
	Other:	\$	
	Other:	\$	
	Total Equipment	\$	
Other Operating Expenses:	Interest & Late Charges	\$	
	Insurance & Bonding	\$	
	Membership Dues & Fees / Subscriptions	\$	
	Bank Charges	\$	
	Other Contractual:	\$	
	Other:	\$	
	Other:	\$	
	Total Other	\$	
TOTAL ADMINISTRATION & FINANCE BUDGET		\$	\$ 23,700

Enter on line 23 of Budget Summary

Example:

If your Council's operating expenditures are budgeted to be: →

Step 1:

Enter the amounts of the budgeted Council expenditures on the Council detailed budget form. Enter each cost on the appropriate line.

Council Expenditures		
Meeting Fees	=	\$1,200
Total Personal Svc.		\$1,200
Airfare	=	\$2,000
Per Diem	=	\$800
Workshop Fees	=	\$1,200
Total Travel		\$4,000
Total Expenditures for City Council		\$5,200

Detailed FY03 Budget Form			
BUDGETED OPERATING EXPENDITURES		COUNCIL	
		FY02 ACTUAL (Estimated)	FY03 BUDGET
Personal Services:	Salaries	\$	\$
	Stipends	\$	\$ 1,200
	Payroll Taxes	\$	\$
	Workers Compensation	\$	\$
	Retirement / Pension	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Personal Services	\$	\$ 1,200
Travel:	Airfare	\$	\$ 2,000
	Per Diem	\$	\$ 800
	Training, Workshop & Conference Fees	\$	\$ 1,200
	Other:	\$	\$
	Other:	\$	\$
	Total Travel	\$	\$ 4,000
Facility Expenses:	Telephone	\$	\$
	Rent	\$	\$
	Electricity	\$	\$
	Water & Sewer	\$	\$
	Fuel Oil	\$	\$
	Repairs / Maintenance (buildings)	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Facility Expenses	\$	\$
Supplies:	Office & Clerical Supplies	\$	\$
	Postage Supplies	\$	\$
	Copier Supplies	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Supplies	\$	\$
Equipment:	Equipment	\$	\$
	Vehicle / Equipment Maintenance	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Equipment	\$	\$
Other Operating Expenses:	Interest & Late Charges	\$	\$
	Insurance & Bonding	\$	\$
	Membership Dues & Fees / Subscriptions	\$	\$
	Bank Charges	\$	\$
	Other Contractual:	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Other	\$	\$
TOTAL COUNCIL BUDGET		\$	\$ 5,200

Enter on line 24 of Budget Summary

Example:

If your Police's
operating expenditures
are budgeted to be:



Police Dept. Expenditures	
Wages	= \$20,000
Payroll Taxes	= \$2,000
Total Personal Svcs.	\$22,000
Airfare	= \$600
Per Diem	= \$400
Conference fees	= \$300
Total Travel	\$1,300
Telephone (jail)	= \$800
Electricity (jail)	= \$400
Water & Sewer (jail)	= \$500
Heating Fuel (jail)	= \$1,800
Total Facility Exp.	\$3,500
Office supplies	= \$500
Postage	= \$100
Forms	= \$200
Total Supplies	\$800
Police 4 wheeler	
Gas & repairs	= \$850
New tires	= \$50
Total Equipment	\$900
Insurance & Bonding	= \$1,000
Food for prisoners	= \$500
Total Other	
Operating Expense	\$1,500
Total Police Dept. Budget	\$30,000

Step 1:

Enter the amounts of the budgeted
Police Department expenditures on
the Police detailed budget form. Enter
each cost on the appropriate line.

Detailed FY03 Budget Form			
BUDGETED OPERATING EXPENDITURES		POLICE	
		FY02 ACTUAL (Estimated)	FY03 BUDGET
Personal Services:	Salaries	\$	\$ 20,000
	Stipends	\$	\$
	Payroll Taxes	\$	\$ 2,000
	Workers Compensation	\$	\$
	Retirement / Pension	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Personal Services	\$	\$ 22,000
Travel:	Airfare	\$	\$ 600
	Per Diem	\$	\$ 400
	Training, Workshop & Conference Fees	\$	\$ 300
	Other:	\$	\$
	Other:	\$	\$
	Total Travel	\$	\$ 1,300
Facility Expenses:	Telephone	\$	\$ 800
	Rent	\$	\$
	Electricity	\$	\$ 400
	Water & Sewer	\$	\$ 500
	Fuel Oil	\$	\$ 1,800
	Repairs / Maintenance (buildings)	\$	\$
	Other:	\$	\$
	Other:	\$	\$
	Total Facility Expenses	\$	\$ 3,500
Supplies:	Office & Clerical Supplies	\$	\$ 500
	Postage Supplies	\$	\$ 100
	Copier Supplies	\$	\$
	Other: Forms	\$	\$ 200
	Other:	\$	\$
	Total Supplies	\$	\$ 800
Equipment:	Equipment	\$	\$
	Vehicle / Equipment Maintenance	\$	\$ 900
	Other:	\$	\$
	Other:	\$	\$
	Total Equipment	\$	\$ 900
Other Operating Expenses:	Interest & Late Charges	\$	\$
	Insurance & Bonding	\$	\$ 1,000
	Membership Dues & Fees / Subscriptions	\$	\$
	Bank Charges	\$	\$
	Other Contractual: Food for prisoners	\$	\$ 500
	Other:	\$	\$
	Other:	\$	\$
	Total Other	\$	\$ 1,500
TOTAL POLICE BUDGET		\$	\$ 30,000

Enter on line 25 of Budget Summary

Step 2:

Transfer the information from the Detail FY03 Budget Forms for Locally Generated Revenues to the FY03 Budget Summary Form for Revenues. Use the line reference numbers on the detailed budget forms to enter the amounts on the appropriate line of the summary budget form.

Detailed FY03 Budget Form			
BUDGETED OPERATING REVENUES		LOCALLY GENERATED	
	FY02 ACTUAL (Estimated)	FY03 BUDGET	Budget Summary Line Reference
Taxes:			
Sales Taxes	\$	\$	
Sales Tax Penalties & Interest	\$	\$	
Property Taxes	\$	\$	
Property Tax Penalties & Interest	\$	\$	
Hotel/Motel Taxes	\$	\$	
Hotel Tax Penalties & Interest	\$	\$	
Motor Vehicle Taxes	\$	\$	
Other:	\$	\$	
Other:	\$	\$	
Total Taxes	\$	\$	Enter on line 1
Special Assessments:	\$	\$	Enter on line 2
Licenses and Permits:	\$	\$	Enter on line 3
Fines and Penalties:	\$	\$	Enter on line 4
Contracted Services:			
A/VEC Reimbursement	\$	\$	
IHS Health Clinic Lease	\$	\$	
Airport Maintenance Contract w/State	\$	\$	
Road Maintenance Contract w/State	\$	\$	
Jail Contract w/State	\$	\$	
Other:	\$	\$	
Other:	\$	\$	
Total Contracted Services	\$	\$	Enter on line 5
Service Charges:			
Photocopies	\$	\$	
Other:	\$	\$	
Other:	\$	\$	
Total Service Charges	\$	\$	Enter on line 6
Enterprises:			
Electric Utility: Customer Payments	\$	\$	
Electric Utility: PCE Subsidy	\$	\$	
Water / Sewer	\$	\$	
Washeteria / Sauna	\$	\$	
Garbage Collection Services	\$	\$	
Landfill / Dump Fees	\$	\$	
Fuel Sales	\$	\$	
Harbor / Dock Charges	\$	\$	
Cable TV	\$	\$	
Bingo / Pull Tab Receipts	\$	\$	
Mass Transit	\$	\$	
Phone Utility	\$	\$	
Other:	\$	\$	
Other:	\$	\$	
Total Enterprise Revenues	\$	\$	Enter on line 7
Rentals:			
Building Rentals	\$	\$	
Equipment Rentals	\$	\$	
Other:	\$	\$	
Total Rentals	\$	\$	Enter on line 8

Detailed FY03 Budget Form			
BUDGETED OPERATING REVENUES		LOCALLY GENERATED	
	FY02 ACTUAL (Estimated)	FY03 BUDGET	Budget Summary Line Reference
Leases:			
Land Leases	\$	\$	
Equipment Leases	\$	\$	
Other:	\$	\$	
Total Leases	\$	\$	Enter on line 9
Sales:			
Land Sales	\$	\$	
Gravel Sales	\$	\$	
Pop Sales/Concessions	\$	\$	
Other:	\$	\$	
Total Sales	\$	\$	Enter on line 10
Other Revenues:			
Interest Earnings	\$	\$	
Other:	\$	\$	
Other:	\$	\$	
Other:	\$	\$	
Total Other	\$	\$	Enter on line 11
TOTAL LOCALLY GENERATED REVENUES	\$	\$	Enter on line 12

FY03 BUDGET SUMMARY – REVENUES		
LOCALLY GENERATED REVENUES:		
Tax Revenues	\$	1
Special Assessments	\$	2
Licenses & Permits	\$	3
Fines & Penalties	\$	4
Contracted Services	\$	5
Service Charges	\$	6
Enterprise Revenues	\$	7
Rentals	\$	8
Leases	\$	9
Sales	\$	10
Other Local Revenues	\$	11
Total Locally Generated Revenues	\$	12 Subtotal
OUTSIDE REVENUE SOURCES:		
State of Alaska Shared Revenues	\$	13
State Operating Grants	\$	14
Federal Operating Revenues & Grants	\$	15
Other Outside Revenues	\$	16
Total Outside Revenues	\$	17 Subtotal
TOTAL FY03 OPERATING REVENUES	\$	18 Total
CAPITAL / SPECIAL PROJECT REVENUE SOURCES:		
State-Funded Capital/Special Projects	\$	19
Federal Capital/Special Projects	\$	20
Total Revenues for Capital / Special Projects	\$	21 Subtotal
TOTAL ALL FY03 REVENUES	\$	22 TOTAL
Prior-Year Cash Balance	\$	
TOTAL CASH AVAILABLE FY03	\$	TOTAL

Step 3:

Transfer the information from the Detail FY03 Budget Form for Outside Sources of Revenues to the FY03 Budget Summary Form for Revenues. Use the line reference numbers on the detailed budget form to enter the amounts on the appropriate line of the summary budget form.

Detailed FY03 Budget Form			
BUDGETED OPERATING REVENUES		OUTSIDE SOURCES	
	FY02 ACTUAL (Estimated)	FY03 BUDGET	Budget Summary Line Reference
Shared Revenues	State Revenue Sharing	\$ 25,000	
From The	Safe Communities	\$ 27,000	
State of Alaska:	Raw Fish Tax Refunds	\$	
	Aviation Fuel Tax Refunds	\$	
	Telephone/Electric Co-op Tax Refunds	\$	
	Amusement / Gaming Tax Refunds	\$	
	Liquor License Tax Refunds	\$	
	Other:	\$	
	Other:	\$	
	Total State Shared Revenues	\$ 52,000	Enter on line 13
State of Alaska	Library Grant	\$	
Operating Grants:	Suicide Prevention Grant	\$	
	JTPA Grant	\$	
	Other:	\$	
	Other:	\$	
	Total State Operating Grants	\$	Enter on line 14
Revenue/Grants	Payment in Lieu of Taxes	\$	
From The	National Forest Receipts	\$	
Federal Gov't:	Operating Grant:	\$	
	Other:	\$	
	Other:	\$	
	Other:	\$	
	Total Federal Revenues	\$	Enter on line 15
Other Outside	Borough	\$	
Revenues:	Other:	\$	
	Other:	\$	
	Total Other Outside Revenues	\$	Enter on line 16
TOTAL OUTSIDE OPERATING REVENUES		\$ 52,000	Enter on line 17
TOTAL FY 03 OPERATING REVENUES		\$ 76,000	Enter on line 18

FY03 BUDGET SUMMARY – REVENUES		
LOCALLY GENERATED REVENUES:		
Tax Revenues	\$	1
Special Assessments	\$	2
Licenses & Permits	\$	3
Fines & Penalties	\$	4
Contracted Services	\$	5
Service Charges	\$	6
Enterprise Revenues	\$ 18,000	7
Rentals	\$ 6,000	8
Leases	\$	9
Sales	\$	10
Other Local Revenues	\$	11
Total Locally Generated Revenues	\$ 24,000	12 Subtotal
OUTSIDE REVENUE SOURCES:		
State of Alaska Shared Revenues	\$ 52,000	13
State Operating Grants	\$	14
Federal Operating Revenues & Grants	\$	15
Other Outside Revenues	\$	16
Total Outside Revenues	\$ 52,000	17 Subtotal
TOTAL FY03 OPERATING REVENUES	\$ 76,000	18 Total
CAPITAL / SPECIAL PROJECT REVENUE SOURCES:		
State-Funded Capital/Special Projects	\$ 22,000	19
Federal Capital/Special Projects	\$	20
Total Revenues for Capital / Special Projects	\$ 22,000	21 Subtotal
TOTAL ALL FY03 REVENUES	\$ 98,000	22 TOTAL
Prior-Year Cash Balance	\$ 1,230	
TOTAL CASH AVAILABLE FY03	\$ 99,230	TOTAL

Step 4:

Transfer the information from the Detail FY03 Budget Form for Revenues For Capital/Special Projects to the FY03 Budget Summary Form for Revenues. Use the line reference numbers on the detailed budget form to enter the amounts on the appropriate line of the summary budget form.

Detailed FY03 Budget Form

REVENUES FOR CAPITAL / SPECIAL PROJECTS		OUTSIDE SOURCES		
		FY02 ACTUAL (Estimated)	FY03 BUDGET	Budget Summary Line Reference
Grants From The State of Alaska: (list projects)	Capital Project Matching FY ____:	\$ _____	\$ _____	
	Capital Project Matching FY ____:	\$ _____	\$ _____	
	Capital Project Matching FY ____:	\$ _____	\$ _____	
	Legislative:	\$ _____	\$ _____	
	Other: <u>Equipment Purchase</u>	\$ _____	\$ 22,000	
	Other:	\$ _____	\$ _____	
Total State Project Funds		\$ 22,000		Enter on line 19
Grants From The Federal Gov't: (list projects)	EDA:	\$ _____	\$ _____	
	Denali Commission:	\$ _____	\$ _____	
	CDBG:	\$ _____	\$ _____	
	Mini Grant:	\$ _____	\$ _____	
	IHS:	\$ _____	\$ _____	
	Other:	\$ _____	\$ _____	
Total Federal Project Funds		\$ _____		Enter on line 20
TOTAL REVENUES FOR CAPITAL / SPECIAL PROJECTS		\$ 22,000		Enter on line 21

FY03 BUDGET SUMMARY – REVENUES

LOCALLY GENERATED REVENUES:

Tax Revenues	\$ _____	Line reference 1
Special Assessments	\$ _____	2
Licenses & Permits	\$ _____	3
Fines & Penalties	\$ _____	4
Contracted Services	\$ _____	5
Service Charges	\$ _____	6
Enterprise Revenues	\$ 18,000	7
Rentals	\$ 6,000	8
Leases	\$ _____	9
Sales	\$ _____	10
Other Local Revenues	\$ _____	11
Total Locally Generated Revenues	\$ 24,000	12 Subtotal

OUTSIDE REVENUE SOURCES:

State of Alaska Shared Revenues	\$ 52,000	13
State Operating Grants	\$ _____	14
Federal Operating Revenues & Grants	\$ _____	15
Other Outside Revenues	\$ _____	16
Total Outside Revenues	\$ 52,000	17 Subtotal


TOTAL FY03 OPERATING REVENUES \$ 76,000 18 Total

CAPITAL / SPECIAL PROJECT REVENUE SOURCES:

State-Funded Capital/Special Projects	\$ 22,000	19
Federal Capital/Special Projects	\$ _____	20
Total Revenues for Capital / Special Projects	\$ 22,000	21 Subtotal

TOTAL ALL FY03 REVENUES \$ 98,000 22 TOTAL

Prior-Year Cash Balance	\$ 1,230	
TOTAL CASH AVAILABLE FY03	\$ 99,230	TOTAL



Step 5:

Transfer the information from the Detail FY03 Budget Form for Administration & Finance Operating Expenditures to the FY03 Budget Summary Form for Expenditures. Use the line reference number on the bottom of the detailed budget form to enter the amount on the appropriate line of the summary budget form.

Detailed FY03 Budget Form			
BUDGETED OPERATING EXPENDITURES		ADMINISTRATION & FINANCE	
		FY02 ACTUAL (Estimated)	FY03 BUDGET
Personal Services:	Salaries	\$	\$ 15,000
	Stipends	\$	
	Payroll Taxes	\$	\$ 1,500
	Workers Compensation	\$	\$ 500
	Retirement / Pension	\$	
	Other:	\$	
	Other:	\$	
	Total Personal Services	\$	\$ 17,000
Travel:	Airfare	\$	\$ 800
	Per Diem	\$	\$ 400
	Training, Workshop & Conference Fees	\$	\$ 500
	Other:	\$	
	Other:	\$	
	Other:	\$	
	Total Travel	\$	\$ 1,700
Facility Expenses:	Telephone	\$	\$ 500
	Rent	\$	
	Electricity	\$	\$ 700
	Water & Sewer	\$	
	Fuel Oil	\$	\$ 2,200
	Repairs / Maintenance (buildings)	\$	
	Other:	\$	
	Other:	\$	
	Total Facility Expenses	\$	\$ 3,400
Supplies:	Office & Clerical Supplies	\$	\$ 1,000
	Postage Supplies	\$	\$ 400
	Copier Supplies	\$	\$ 200
	Other:	\$	
	Other:	\$	
	Total Supplies	\$	\$ 1,600
Equipment:	Equipment	\$	
	Vehicle / Equipment Maintenance	\$	
	Other:	\$	
	Other:	\$	
	Total Equipment	\$	
Other Operating Expenses:	Interest & Late Charges	\$	
	Insurance & Bonding	\$	
	Membership Dues & Fees / Subscriptions	\$	
	Bank Charges	\$	
	Other Contractual:	\$	
	Other:	\$	
	Other:	\$	
	Total Other	\$	
TOTAL ADMINISTRATION & FINANCE BUDGET		\$	\$ 23,700

Enter on line 23 of Budget Summary

FY03 BUDGET SUMMARY – EXPENDITURES		
Administration and Finance	\$ 23,700	23
Council	\$ 5,200	24
Planning and Zoning	\$	
Police	\$ 30,000	25
Fire	\$	26
Ambulance	\$	
Other Public Safety	\$	
Streets and Roads	\$	27
Airport	\$	28
Harbor and Dock	\$	29
Electric Utility	\$	30
Water and Sewer	\$ 12,000	31
Washeteria	\$	32
Garbage and Landfill	\$ 2,800	33
Fuel Sales	\$	
Cable TV	\$	
Bingo and Pull Tabs	\$	
Mass Transit	\$	
Phone Utility	\$	
Other Enterprise:	\$	
Other Enterprise:	\$	
Other Public Works	\$	34
Health Facility	\$	
Other Health and Welfare Services	\$	
Parks and Recreation	\$	
Library	\$	
Museum and Cultural	\$	
Other Public Service:	\$	
Other:	\$	
Other:	\$	
TOTAL FY03 OPERATING EXPENDITURES	\$ 73,700	35 Total
CAPITAL / SPECIAL PROJECT EXPENDITURES:		
State-Funded Capital/Special Projects	\$ 20,000	36
Federal Capital/Special Projects	\$	37
Total Capital / Special Projects Expenditures	\$ 20,000	Subtotal
TOTAL ALL FY03 EXPENDITURES	\$ 93,700	TOTAL



Step 6:

Transfer the information from the Detail FY03 Budget Form for Council Operating Expenditures to the FY03 Budget Summary Form for Expenditures. Use the line reference number on the bottom of the detailed budget form to enter the amount on the appropriate line of the summary budget form.

Detailed FY03 Budget Form		
BUDGETED OPERATING EXPENDITURES		COUNCIL
	FY02 ACTUAL (Estimated)	FY03 BUDGET
Personal Services:		
Salaries	\$	\$
Stipends	\$	\$ 1,200
Payroll Taxes	\$	\$
Workers Compensation	\$	\$
Retirement / Pension	\$	\$
Other:	\$	\$
Total Personal Services	\$	\$ 1,200
Travel:		
Airfare	\$	\$ 2,000
Per Diem	\$	\$ 800
Training, Workshop & Conference Fees	\$	\$ 1,200
Other:	\$	\$
Total Travel	\$	\$ 4,000
Facility Expenses:		
Telephone	\$	\$
Rent	\$	\$
Electricity	\$	\$
Water & Sewer	\$	\$
Fuel Oil	\$	\$
Repairs / Maintenance (buildings)	\$	\$
Other:	\$	\$
Total Facility Expenses	\$	\$
Supplies:		
Office & Clerical Supplies	\$	\$
Postage Supplies	\$	\$
Copier Supplies	\$	\$
Other:	\$	\$
Total Supplies	\$	\$
Equipment:		
Equipment	\$	\$
Vehicle / Equipment Maintenance	\$	\$
Other:	\$	\$
Total Equipment	\$	\$
Other Operating Expenses:		
Interest & Late Charges	\$	\$
Insurance & Bonding	\$	\$
Membership Dues & Fees / Subscriptions	\$	\$
Bank Charges	\$	\$
Other Contractual:	\$	\$
Other:	\$	\$
Total Other	\$	\$
TOTAL COUNCIL BUDGET	\$	\$ 5,200

Enter on line 24 of Budget Summary

FY03 BUDGET SUMMARY – EXPENDITURES		
		Line reference
Administration and Finance	\$ 23,700	23
Council	\$ 5,200	24
Planning and Zoning	\$	
Police	\$ 30,000	25
Fire	\$	26
Ambulance	\$	
Other Public Safety	\$	
Streets and Roads	\$	27
Airport	\$	28
Harbor and Dock	\$	29
Electric Utility	\$	30
Water and Sewer	\$ 12,000	31
Washeteria	\$	32
Garbage and Landfill	\$ 2,800	33
Fuel Sales	\$	
Cable TV	\$	
Bingo and Pull Tabs	\$	
Mass Transit	\$	
Phone Utility	\$	
Other Enterprise:	\$	
Other Enterprise:	\$	
Other Public Works	\$	34
Health Facility	\$	
Other Health and Welfare Services	\$	
Parks and Recreation	\$	
Library	\$	
Museum and Cultural	\$	
Other Public Service:	\$	
Other:	\$	
Other:	\$	
TOTAL FY03 OPERATING EXPENDITURES	\$ 73,700	35 Total
CAPITAL / SPECIAL PROJECT EXPENDITURES:		
State-Funded Capital/Special Projects	\$ 20,000	36
Federal Capital/Special Projects	\$	37
Total Capital / Special Projects Expenditures	\$ 20,000	Subtotal
TOTAL ALL FY03 EXPENDITURES	\$ 93,700	TOTAL



Step 7:

Transfer the information from the Detail FY03 Budget Form for Police Operating Expenditures to

the FY03 Budget Summary Form for Expenditures. Use the line reference number on the bottom of the detailed budget form to enter the amount on the appropriate line of the summary budget form.

Detailed FY03 Budget Form		
BUDGETED OPERATING EXPENDITURES		POLICE
	FY02 ACTUAL (Estimated)	FY03 BUDGET
Personal Services:		
Salaries	\$	\$ 20,000
Stipends	\$	
Payroll Taxes	\$	\$ 2,000
Workers Compensation	\$	
Retirement / Pension	\$	
Other:	\$	
Total Personal Services	\$	\$ 22,000
Travel:		
Airfare	\$	\$ 600
Per Diem	\$	\$ 400
Training, Workshop & Conference Fees	\$	\$ 300
Other:	\$	
Total Travel	\$	\$ 1,300
Facility Expenses:		
Telephone	\$	\$ 800
Rent	\$	
Electricity	\$	\$ 400
Water & Sewer	\$	\$ 500
Fuel Oil	\$	\$ 1,800
Repairs / Maintenance (buildings)	\$	
Other:	\$	
Total Facility Expenses	\$	\$ 3,500
Supplies:		
Office & Clerical Supplies	\$	\$ 500
Postage Supplies	\$	\$ 100
Copier Supplies	\$	
Other: Forms	\$	\$ 200
Other:	\$	
Total Supplies	\$	\$ 800
Equipment:		
Equipment	\$	\$
Vehicle / Equipment Maintenance	\$	\$ 900
Other:	\$	
Total Equipment	\$	\$ 900
Other Operating Expenses:		
Interest & Late Charges	\$	\$
Insurance & Bonding	\$	\$ 1,000
Membership Dues & Fees / Subscriptions	\$	
Bank Charges	\$	
Other Contractual: Food for prisoners	\$	\$ 500
Other:	\$	
Total Other	\$	\$ 1,500
TOTAL POLICE BUDGET	\$	\$ 30,000

Enter on line 25 of Budget Summary



FY03 BUDGET SUMMARY - EXPENDITURES		
		Line reference
Administration and Finance	\$ 23,700	23
Council	\$ 5,200	24
Planning and Zoning	\$	
Police	\$ 30,000	25
Fire	\$	26
Ambulance	\$	
Other Public Safety	\$	
Streets and Roads	\$	27
Airport	\$	28
Harbor and Dock	\$	29
Electric Utility	\$	30
Water and Sewer	\$ 12,000	31
Washeteria	\$	32
Garbage and Landfill	\$ 2,800	33
Fuel Sales	\$	
Cable TV	\$	
Bingo and Pull Tabs	\$	
Mass Transit	\$	
Phone Utility	\$	
Other Enterprise:	\$	
Other Enterprise:	\$	
Other Public Works	\$	34
Health Facility	\$	
Other Health and Welfare Services	\$	
Parks and Recreation	\$	
Library	\$	
Museum and Cultural	\$	
Other Public Service:	\$	
Other:	\$	
Other:	\$	
TOTAL FY03 OPERATING EXPENDITURES	\$ 73,700	35 Total
CAPITAL / SPECIAL PROJECT EXPENDITURES:		
State-Funded Capital/Special Projects	\$ 20,000	36
Federal Capital/Special Projects	\$	37
Total Capital / Special Projects Expenditures	\$ 20,000	Subtotal
TOTAL ALL FY03 EXPENDITURES	\$ 93,700	TOTAL

Continue . . .

transferring information from the Detailed FY03 Budget Forms for Budgeted Operating Expenditures to the FY03 Budget Summary Form for Expenditures until the Budget Summary information is complete. Use the line reference numbers on the bottom of the detailed budget forms to enter the amount on the appropriate line of the summary budget form.

Notes



Section 4

Appropriations Ordinance

Overview

The budget, when prepared in its final form as an ordinance, is called an appropriations ordinance. The appropriations ordinance legally establishes a city's budget. A city may spend money only for public services or projects listed in the appropriations ordinance. The appropriations ordinance is a non-code ordinance and does not become a part of the city's code of ordinances.

For a small city, the appropriations ordinance may be as short as one page. In larger cities, the appropriations ordinance may contain several pages. The sample ordinances following this discussion are considered typical of a small city's appropriations ordinance.

Introducing and Approving the Appropriations Ordinance

The appropriations ordinance is presented to the council like any other ordinance. It must be adopted in the same manner as all other ordinances. Refer to page 45, "How To Pass A Budget Ordinance."

Amending the Appropriations Ordinance

During the budget year, a city may find that the appropriations ordinance needs changing. To make changes to the appropriations ordinance a budget amendment ordinance is required. Use the budget amendment ordinance to amend your budget and send a copy to DCED, SRS Program, P.O. Box 110809, Juneau, AK 99811-0809.

Two types of budget amendments are:

- ✓ Supplemental Appropriations and
- ✓ Transfer Appropriations.



Supplemental Appropriations

A supplemental appropriation is used if the city receives unexpected revenues it wishes to place in the operating budget. Supplemental appropriations are also used to revise expenditure categories. A city finding it needs an additional employee is an example of when a supplemental appropriation may be necessary. Since the position was not provided for in the original budget, no money is available to hire the additional worker. However, the city received more money than anticipated. The extra money can thus be used to hire the needed employee after a supplemental appropriation is adopted. The supplemental appropriation is adopted in ordinance form in the same manner that the original appropriations ordinance was adopted.

Transfer Appropriations

A transfer appropriation is used to move money from one line item to another line item. For example, three months into the new fiscal year the city needs to spend additional money for road repairs. The city council reviews the budget and finds it has more money than necessary in the authorized expenditure for administration and finance. A transfer of money using an amendment to the appropriations ordinance is needed. The transfer appropriation is adopted in ordinance form in the same manner that the original appropriations ordinance was adopted.

Look at the following sample of an appropriations ordinance before preparing your own community's appropriations ordinance. Contact your regional office for assistance in preparing an appropriations ordinance.

Alaska Statute 29.25.010 states:

"... the governing body of a municipality shall use ordinances to make appropriations, including supplemental appropriations or transfer of appropriations; ..."

How to Pass a Budget Ordinance

After the budget is prepared, the city council must pass a budget ordinance before any money can be legally spent. The budget ordinance is passed in the following manner.

1. The mayor (or manager, if the city has adopted the city manager plan) introduces the proposed budget ordinance in writing at a city council meeting.
2. The city council sets a date for a public hearing on the ordinance. At least four (4) votes are needed to set the date.
3. A summary of the ordinance, along with any amendments is published or posted in three public places with a notice of the time and date for the public hearing. State law requires the notices to be posted for not less than five days before the public hearing. However, if possible, the notice should be posted at least two weeks before the hearing to give everyone an opportunity to review the budget.
4. At the public hearing, copies of the ordinance must be available to everyone or the ordinance must be read in full.
5. All members of the public who wish to speak on the ordinance must be heard by the council.
6. After the hearing, the city council may adopt the ordinance with or without any budget amendments (changes). At least four (4) votes are needed to pass the ordinance.
7. Upon adoption, the budget shall be in effect for the next fiscal year (July 1 - June 30).
8. The budget ordinance as adopted shall be certified by the mayor and the city clerk. A certified copy of the budget shall be filed in the city office.

The adopted budget ordinance is a public record. The city clerk must make copies of the budget ordinance available to anyone wanting a copy during normal working hours.

Send a copy of the budget ordinance and approved revenues and expenditures to DCED, SRS Program, P.O. Box 110809, Juneau, AK 99811-0809



Notes

Budget Appropriations Ordinance

Ordinance No. _____

AN ORDINANCE FOR THE CITY OF _____ PROVIDING FOR THE ESTABLISHMENT AND ADOPTION OF THE BUDGET FOR FISCAL YEAR 2003

BE IT ENACTED BY THE COUNCIL OF THE CITY
OF _____

Section 1. Classification.

This is a **Non-Code Ordinance**.

Section 2. General Provisions.

The attached document is the authorized budget of revenues and expenditures for the period July 1 through June 30 and is made a matter of public record.

Section 3. Effective Date.

This ordinance becomes effective upon its adoption by the city council.

First Reading _____

Public Hearing _____

ADOPTED by a duly constituted quorum of the City Council of _____, Alaska,
this ____ day of _____, 2002

Mayor

ATTEST:

City Clerk

Attachment: Authorized FY03 Revenues and Expenditures.

*or the Manager, if the Manager plan has been adopted.

Original - To be kept by city.

Copy - To be returned to the Department of Community & Economic Development.

Budget Amendment Ordinance

Ordinance No. _____

AN ORDINANCE FOR THE CITY OF _____ PROVIDING FOR THE AMENDMENT OF THE BUDGET FOR FISCAL YEAR 2003

BE IT ENACTED BY THE COUNCIL OF THE CITY
OF _____

Section 1. For the fiscal year of 2003, estimated revenues and/or expenditures have varied from the estimates in the approved budget.

Section 2. For the current fiscal year the budget is amended to reflect the changed estimates as follows:

Budget Category	Amounts	
	Original Budget	Amended Budget
_____	from \$ _____	to \$ _____
_____	from \$ _____	to \$ _____

Section 3. The budget is hereby amended as indicated and any portion of the approved budget inconsistent with this amendment is repealed.

Section 4. This ordinance becomes effective upon its adoption by the city council.

First Reading _____
Public Hearing _____

ADOPTED by a duly constituted quorum of the City Council of _____,
Alaska, this ____ day of _____, 2002

Mayor

ATTEST:

City Clerk

*or the Manager, if the Manager plan has been adopted.

Original - To be kept by city

Copy - To be returned to the Department of Community & Economic Development

Now That You've Passed Your Budget, What's Next?

Passing your city budget is the first step toward good financial management. In order to make sure that the budget plan is followed and city resources are used for the good of a city, you should:

- ✓ Develop a chart of accounts from your budget categories.
- ✓ Keep track of all revenues and expenses through the use of cash receipt and cash disbursement journals.
- ✓ Make monthly financial reports to the city council by comparing actual revenues and expenditures to the budget.
- ✓ Prepare a year-end financial statement to be certified by the city council.

DCBD has staff and information to assist your city in these areas. Please contact your local DCBD Regional Office for further assistance.



Notes



Appendix A
Comment Page

This page is provided for you to comment on this manual. Please comment on ways this manual can be improved to better meet your needs. Thank you.

[illegible]

Please mail these comments to your nearest Division of Community & Business Development (DCBD) Regional Office. The addresses are listed in the front of this manual.

